Pathways for targeting renewable resource corruption: A summary of evidence

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This brief summarizes empirical evidence and learning from [U4 research](#) as part of the five-year, USAID-supported, [Targeting Natural Resource Corruption](#) (TNRC) Project, which focuses on helping to reduce the role that corruption plays in enabling and exacerbating environmental and social harms. The first part describes the research; the second part summarizes key findings and implications for practice.

Executive Summary

» Using a political ecology approach, teams of researchers led by the U4 Anti-Corruption Resource Center studied select conservation projects in Peru, Madagascar, and Vietnam. This country-based analysis was complemented with secondary data, including a systematic literature review of over 900 publications, reviews of official documentation, and environmental change data on deforestation.

» This analysis addressed the fundamental research question, "What factors condition anti-corruption success and failure in renewable resource sectors?"

» Five recommendations emerged for conservation practitioners and donors seeking to scale efforts to target natural resource corruption: (1) further strengthen corruption risk analysis and management approaches in conservation; (2) promote and facilitate donor coordination at the global, regional, and country levels on environmental corruption; (3) further engage with and support civil society and journalists working on environmental corruption; (4) safeguard young and Indigenous human rights defenders calling out environmental corruption; and (5) bolster data availability for transnational law enforcement on environmental corruption.

Protecting our biosphere is crucial for all human activity. Efforts to protect renewable resources face threats from corruption, and while this threat is increasingly recognized, we still have a long way to go to reduce its impact. Commonly defined as "the abuse of entrusted power for private gain," corruption facilitates environmental harms that undermine our biosphere's integrity and scope for regeneration (Transparency International 2020, Williams and Le Billon 2017). Corruption helps circumvent laws, rules, regulations, and policies aimed at limiting or preventing environmental harms (Transparency International 2020, Robbins 2000, Kolstad and Søreide 2009, Williams and Le Billon 2017). Corruption's pernicious role can look like influencing who gets timber concessions and fisheries quotas and how they are enforced, bribery to buy environmental impact study outcomes, collusion with forest or wildlife rangers in perpetrating environmental crimes, and the use of illicit means to finance or launder the proceeds of environmentally destructive acts, to name just a few examples.

Corruption can also shape resource management decisions more subtly. Corrupt interests regularly influence the laws and policies that govern resource management and use, turning serious environmental harms into legally sanctioned acts (Kolstad and Søreide 2009, Williams and Le Billon 2017). Examples can be found in influence peddling as access agreements for marine fisheries are framed; conflicts of interest in determining forest, wildlife, or fisheries sector strategies; and political corruption that drives industrial or infrastructure projects (e.g., roads, ports) that harm the environment. In the worst cases, corruption in the guise of patron-client networks is so ingrained in the political control of renewable resources that it is the system itself (Robbins 2000, Williams and Le Billon 2017).

Reducing corruption's contributions to environmental and related social harms implies addressing challenges at a variety of scales and in different locations. Successful interventions must undermine corruption's attractiveness as a tool for environmental criminals, curtail its influence on broader frameworks that govern resource use, and, where such conditions prevail, address elite capture of entire resource sectors or even countries. Above all, approaches to corruption must fit hand-in-glove with the contextual conditions that explain it (a task evidence shows is easier where durable democratic institutions exist [Rock 2009]).

Targeting renewable resource corruption is thus no small task. More than twenty years of international efforts to tackle corruption show that success is unlikely if anti-corruption interventions make too many assumptions about the politics, incentives and power dynamics underpinning corrupt acts (Khan and Roy 2022). In this context, the U4 research for TNRC aimed to answer the question: What factors condition anti-corruption success and failure of interventions in renewable resource sectors?

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Part I   The Cases

This section will describe three case studies of how teams implemented a corruption situation analysis for a conservation activity.

Methodology, case selection, and main research question

Our research approach involved identifying existing aid interventions that could potentially address a corruption problem affecting renewable resource management somewhere in the world. Our case selection process, described in Annex 1, identified three cases for in-depth study:

i. community-led natural resource management in northern Madagascar;

ii. community forestry reforms to tackle illegal logging and associated corruption in the Peruvian Amazon; and

iii. e-payments in Vietnam's forest sector.

Further details on each case are provided below, including their particular focus and main findings.

Many different actors are involved in renewable resource sectors, and uneven power relations, social and cultural histories, and the political economies of specific places, organizations, and resource commodities are all very complex. Therefore, a

nuanced approach to analyzing corruption is needed, capable of addressing the politics and competing interests at the heart of environmental change (Robbins 2000, Williams and Le Billion 2017). In light of this, we rooted our methodological approach in the field of political ecology, combining mixed (qualitative and quantitative) methods with a varied investigator research design.

Our approach to research ethics was validated by the Norwegian Centre for Research Data (NSD) and involved informed consent of all research participants on the basis of anonymity, and the triangulation of multiple data-sources. More information on the methodology can be found in Annex 1.

Case findings from Madagascar, Peru, and Vietnam

Community-based conservation approaches and their anti-corruption impacts in northern Madagascar

The Madagascar case aimed to understand how conservation organizations tailor activities that rely on community participation to (explicitly or implicitly) combat, circumvent, or otherwise navigate corrupt systems and practices; how local community members experience and evaluate these efforts; and how associated outcomes are shaped by broader dynamics of corruption tied to the presence (or absence) of lucrative resources in the protected areas in question. Empirical results were drawn from a review of literature and field-based interviews with NGO staff, government officials, local authorities, project participants, and other community members in three subnational sites.[1]

The research team found that efforts to introduce community-based resource management, as a good governance and anti-corruption strategy, made little headway given conflicting understandings of corruption, externally defined interventions, and inadequate empowerment of community-level actors. Evidence from this case highlights that

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[1] The Makira-Masoala-Antongil Bay (MaMaBay) region, the Andrafiamena-Andavakoera and Loky Manambato protected areas, and the Northern Highlands landscape and Northern Mozambique Channel seascape.

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incentives paid to community members were too small to promote the pro-conservation behaviors intended, paving the way for unhelpful perceptions of conservation, and allowing a culture of tolerating corrupt and environmentally damaging acts to persist.

Anti-illegal logging approaches and their anti-corruption effects in the Peruvian Amazon

The Peru case aimed to understand the actors and interests involved in the extraction of timber in the Peruvian Amazon, particularly illegal logging and deforestation; types and dynamics of corruption involved; and the related impacts on communities. Focusing on two subnational sites where USAID's Peru Bosques and Pro-Bosques projects have been implemented,[2] empirical data was drawn from official reports and regulations issued by national authorities; reports and articles produced by non-state actors, including non-governmental organizations (NGOs), multilateral actors, and academia; and semi-structured interviews with Indigenous leaders, current and former public officials, journalists, and NGO staff.

The research team found that reforms aimed at promoting participation of Indigenous Peoples in forest conservation through Community Forest Management (CFM) have indeed recognized corruption as a significant factor in the overuse of community forests by third parties. However, lengthy administrative processes for collective land titling and historic neglect by authorities have perpetuated insecure tenure for Indigenous communities, which stakeholders consider to be manifestations of "corruption." Violence and corruption on the part of criminal organizations involved in land grabbing, illegal logging, illegal gold mining, and illicit agriculture (e.g., coca leaf production for cocaine) have further undermined CFM and the efforts of Indigenous communities to pursue legal remedies. For CFM to reach its potential, further efforts are needed to support Indigenous environmental defenders, including structural governance changes that enhance their formal political voice.

The anti-corruption potential of e-payments in Vietnam's forest sector

The Vietnam case aimed to understand whether the introduction of digital e-payments could reduce corruption risks in the country's Payment for Forest Environmental Services (PFES) system. Specifically, the research focused on whether, and under which conditions, e-payments helped reduce the potential for local elite capture and embezzlement in PFES benefit distribution. A mixed-methods approach was adopted, including a literature review, interviews, focus groups with PFES stakeholders, and a survey of forest owner households. Empirical data was collected from subnational sites in two districts in each of three provinces.[3]

The research team found many positive aspects of Vietnam's pioneering PFES system, including the distribution of payments to environmental service providers (forest owners such as plantations, households, and communities) who, in return, protected forests. The research also found that further progress could be made toward a more efficient, secure, and transparent PFES payment system. Such progress would further reduce transaction costs, streamline payments, and potentially reduce corruption. At the time of the study, the co-existence of e-payments with other payment forms, including cash, was limiting the actual anti-corruption benefits of PFES e-payments. While e-payments are, indeed, no panacea for tackling corruption linked to PFES benefit distribution, they could play an important anti-corruption role as part of a broader, effective legal regime for forest protection.

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[2] Pasco and Ucayali.
[3] Thuan Chau and Quynh Nhai in Son La province, Don Duong and Lac Duong in Lam Dong province, and Nam Dong and A Luoi in Thua Thien Hue province.
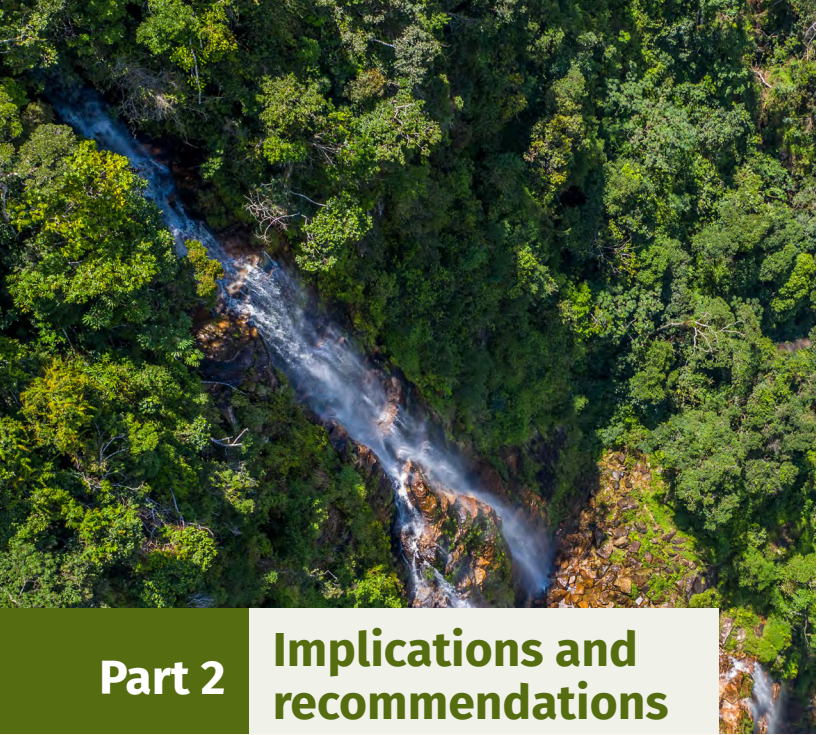
Part 2 — Implications and recommendations

This section focuses on the main takeaways linked to our overall research question—the factors that condition the anti-corruption success and failure of aid-funded interventions in renewable resource sectors.

Takeaways for anti-corruption approaches in renewable sectors

More evidence, lessons, and recommendations from our three country cases can be found here.

Addressing corruption is typically a secondary objective for resource governance projects, resulting in limited bandwidth for analyzing and addressing it

Despite the recognized importance of addressing corruption in order to achieve resource governance objectives, the research teams found few natural resource projects with explicit anti-corruption objectives. More typically, projects that sought to improve resource governance, or reduce illegality in resource use, sometimes included a secondary objective to reduce associated corruption.

This lack of specific treatment of corruption might be an understandable response by project designers and implementers to the sensitivities of the issue, particularly when it relates to high-value

commodities whose production is linked to criminal activity and/or powerful elites. Indeed, our research revealed that project implementers tended to be acutely aware of and concerned about the potential impact of corruption on outcomes.

At the same time, we encountered examples of unsound project assumptions about how corruption operated in the context of implementation. In Peru, for example, project design did not seem to account for the capture of provincial institutions by special interest groups and how this might undermine project goals. An indirect focus on corruption likely limits the attention given to it within an overall focus on, say, illegal logging. Moreover, progress on addressing corruption affecting renewable resource sectors appears limited simply because there are so few projects and interventions that try to directly target it, while at least some of those that do could bolster their understanding of the contextual drivers and enablers of corrupt behavior.

Struggles over who benefits from resources are at the heart of environmental corruption cases and resolving these contestations should be central to responses

Competing interests over natural resources among state, commercial, and societal actors were at the heart of the environmental corruption cases we studied.[4] Different actors and groups with varying power wished to control and exploit resources for their benefit, with many actors employing all means possible, including violence and corruption, to maximize these benefits. Our cases emphasized that powerful state authorities, particularly at the subnational level, tend to be captured by special economic interests, with some of this involving criminality and corruption. Authorities appear, in many instances, to be more accountable to these special interests than to the broader public interest. Yet, paradoxically, the assent and support of such authorities is often needed for aid-funded projects to proceed.

In such instances, external actors, such as NGOs and donors, face acute dilemmas about whom they should cooperate with, and how. A crucial condition for anti-corruption success and failure in renewable resource sectors, therefore, is how well external actors understand their partners' motivations, and how skilled project partners are in navigating highly politicized conditions where domestic accountability functions are typically minimal.

Projects should be capable of grappling with the real politics of resource governance and environmental corruption

Resolving the political contentions at the heart of environmental corruption appears vital, yet the interventions we studied adopted a primarily technical lens when approaching corruption problems, rather than a political one. At the same time, highly politicized debates around resource governance, as well as concrete actions (e.g., social movements and protests) continued during project implementation.

It appeared to the research teams that the inadequacy of both state policies and aid projects in grappling with the real politics of resource governance and environmental corruption helped fuel, at least in part, despondency and/or alternate approaches on the part of concerned populations and groups. For example, Indigenous Peoples facing loss of access to ancestral lands following years of collusion and corruption between state officials and criminals sometimes resort to direct protests, placing themselves and their communities at risk of violent retaliation. Projects tend to support a range of civil society and media actors to highlight the political dimensions of resource governance, and this work is, in itself, useful in raising awareness and understanding the character of particular problems. However, there is still a dearth of viable actions that resolve these highly politicized problems through legislative, policy, and enforcement means.

Resource corruption challenges transcend national boundaries and require regional and global action beyond discrete, timebound projects

Commerce in, and financing of, renewable resource commodities is often global in scope, and regional and global markets make timber and other resource commodities immensely valuable. Interest in capturing as much of this value as possible, at various points of extended supply chains, drove many of the corrupt and criminal behaviors across the cases we studied. Targeting resource corruption through in-country, timebound, aid-funded projects thus faces inherent limitations if these interventions are not coupled with strategies to address regional and global resource governance dilemmas.

Although several initiatives now work in this direction (e.g., on addressing illicit financial flows), our findings still point to a mismatch between the scale of the corruption challenge (across both space and time) and the scale of the response across globalized resource sectors. An example is the long timescales some corrupt actors operate on. Corrupt networks in our case countries, for example, could simply bide their time in relation to particular conservation projects or enforcement actions, waiting years for opportune moments to resume illegal activities. These cases underscore that in-country projectization is not, on its own, a viable route to improved anti-corruption outcomes in renewable resource sectors in specific countries (a point underlined in USAID's recent Anti-Corruption Policy). This is particularly the case when in-country projects have short life cycles and are not joined up with other country-, regional-, and/or global-level resource governance or enforcement initiatives.

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[4] Using a political ecology approach and collaborating with local researchers for each case allowed us to identify the social, economic, political, and environmental factors that drive and enable corruption, and how they affected project implementation and outcomes.

Improving practice to address corruption's impact on environmental goals

Based on the evidence we have collated, a number of priority anti-corruption practices and recommendations emerge for those active in renewable resource sectors, including donors, conservation organizations, law enforcement bodies, and others.

1. Further strengthen corruption risk analysis and management approaches in conservation

Corruption and the associated political struggles over who benefits from natural resources in specific places must be properly understood if it is to be tackled. Conservation organizations and their donors are starting to understand and engage with the magnitude of the challenges. They must continue to train, consider the latest evidence and debates, as well as use the best available risk analysis and management methodologies for targeting corruption.

2. Promote and facilitate donor coordination at the global, regional, and country levels

Donors active in renewable resource sector initiatives could do more to coordinate across initiatives and projects. Our evidence points to a degree of competition and silos among, for example, bilateral donors, where important anti-corruption matters could fall between responsibilities. The U4 Partnership and OECD Anti-Corruption Task Team (ACTT) are examples of coordination mechanisms at the global level that can be further built on at the regional and country level. Important coordination groups, particularly among donors, sometimes exist in-country, but their effectiveness can be limited by waxing and waning interests as individual staff and policy priorities come and go. Coordination needs to be sustained to be effective.

3. Further engage with and support civil society and journalists working on environmental corruption

Conservation organizations that are addressing resource governance in specific geographies are now reaching out to, and collaborating with, civil society organizations and journalists. For example, WWF is launching a new Practitioners Forum with colleagues at Transparency International, TRAFFIC, and the Basel Institute on Governance. This is a positive development that could further ground understanding of the environmental corruption challenges conservation organizations face in the places they work. Yet silos remain, particularly between investigative organizations with a record of examining resource sectors and commodity supply chains (e.g., Environmental Investigation Agency and The Gecko Project), and conventional conservation-focused organizations. Further cross-fertilization of knowledge and approaches among these types of organizations is likely to be beneficial for both constituencies.

4. Safeguard young and Indigenous human rights defenders calling out environmental corruption

The main burden of tackling corruption should not fall on vulnerable members of society. Yet our findings point to younger generations (e.g., students) and Indigenous environmental defenders continuing to place themselves at significant risk by calling out environmental corruption. Recent efforts like those of Mary Lawlor, the UN Special Rapporteur on Human Rights Defenders, and Amnesty International, highlight the risks to human rights defenders who focus on the environment and corruption. These efforts must be further supported, and concrete legal and practical safeguards on these issues must be put in place for both students and Indigenous Peoples.

5. Bolster data availability for transnational law enforcement on environmental corruption

Law enforcement cases at the intersection of environmental crimes and corruption tend to be under-prioritized in many jurisdictions – due, in some instances, to officials' involvement in the problem. Efforts to build serious law enforcement capacity to address corruption in particular countries continue and, in the longer term, all states must be capable of analyzing, investigating, and enforcing their anti-corruption and environmental legislation. But the pursuit of successful enforcement against environmental corruption need not be hampered by corrupt special interests undermining enforcement in individual countries. Extra-territorial legislation such the US Foreign Corrupt Practices Act and the UK's Bribery Act can, for example, be used to pursue cases with a connection to those markets. Prospects for transnational law enforcement could be further improved through the collation of relevant case data. For example, there is currently no global database on environmental corruption cases. Creating such a database could be a useful first step towards closing accountability loops for victims.

Annex 1: Methodological note

The study of corruption poses several methodological problems. Corruption as an activity is often opaque and intangible, occurring in many instances "behind closed doors." When researching natural resource corruption, this is compounded by the fact that the (often illegal) loss of forests, fisheries, and wildlife is similarly opaque and illusive. Poaching, illegal fishing, and illegal logging occurs in the dead of night; goods are transported across porous borders; and criminals slip into the shadows.

Unlike the investigative journalist or civil society activist who can gather useful evidence by posing as an interested buyer of illicit goods, our teams are bound by institutional research ethics and assessments of security related risks. Therefore, proper consideration of these challenges and the use of suitable methods were crucial to the success of our research on corruption, biodiversity loss, and conservation interventions.

Our main methodological approach was to be reflexive and combine mixed methods with varied investigator research design, working with a multinational research team. This methodological choice recognized issues of positionality and the importance of triangulating research findings.

To identify cases, we conducted a scoping study involving qualitative interviews of aid practitioners working at the intersection of anti-corruption and environmental crime and ran a keyword-driven systematic literature review (considering 900+ papers, articles, and chapters). We then cross-referenced these potential aid interventions with USAID's Tier 1 Biodiversity Conservation Priorities, WWF's Priority Places, TRAFFIC's country and regional priorities, and the US State Department's Illegal Wildlife Trade Partner Countries/Countries of Concern list. We used the further criteria of geographic spread, intervention type (e.g., from capacity building to support to investigative journalism), type of corruption problem targeted, and the type of renewable resource involved to select the final three cases.

We used a variety of data collection methods, including a combination of quantitative analysis of pre-existing data sets (where available), and qualitative data collection through interviews, focus groups, and observational methods across several sub-national study sites. By combining qualitative and quantitative methods we were able to triangulate sub-national and national data. Further details on the methods for each case study are published in the relevant Briefs.

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